



GRAIN & LIVESTOCK REPORT

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Market Analysis - July 22, 2004

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Last week corn ended down about a nickel in an uneventful week. Good weather and lack of bullish news from the USDA allowed the market to drift lower. There was a plethora of numbers last week but there were no surprises. Unless some fresh news comes in there was a distinct feeling that upside moves will be limited. Corn started this week slightly down due to Monday's crop report showing a 2% improvement in the good to excellent ratings but Tuesday's activities brought the market down – due to heavy fund selling (10,000 contracts) tied to weather and bearish technical indicators. Importantly the December futures broke through its bearish resistance plan – a big psychological move perhaps because one DTN analyst suggested that we could be looking at a 10.7 to 11.0 billion-bushel crop this year. Weekly export numbers on Thursday did little to support the market with new crop sales at 318 thousand tons and old crop at 357 thousand. There is strong opinion that fund selling will continue going forward. So, perhaps now is a good time to hedge. Soybean trade was active last week – August beans finishing a dollar down. Cash basis levels also retreated swiftly from the high levels that were seen at the start of the month. All week long, up until Thursday we have seen a gradual drop in soybean futures due mainly to fund selling. It was “ideal” weather conditions that prompted that move but somehow the cash market moved upwards – firming up basis levels. Wednesday was another fund offloading day and November was trimmed by 35 cents and August almost 18. The cash market couldn't hold up its opposing move and finally farmers flocked out to market and started selling beans driving prices down. On Thursday we saw a turn in fortune when friendly export numbers were revealed. The number came in above expectations at 111 thousand tons of old crop sales and 8 thousand new crop. The weather continues to be viewed as favorable and consequently takes the wind out of the bull's sales. Wheat moved sideways to lower last week despite the monthly USDA report being fairly bullish and on Tuesday of this week wheat continued to move even lower despite a further round of good news (crop condition reports suggesting good to excellent categories running behind pace). On Wednesday wheat moved further down with traders selling on disappointing news that Egypt decided to buy French wheat providing evidence that the world wheat market continues to become even more competitive. Weekly sales numbers came in at 428 thousand tons – above expectations but again, we did not see a turn in the market. This negativity can't go on and on, the trend has to turn eventually if good news keeps coming. The funds might be the ones to start the switch. The trend can only be your friend for so long!

BASIS TABLE

LOCATION	CORN BASIS		SOYBEAN BASIS		WHEAT BASIS	
	CASH (Aug04)	NEW (Dec04)	CASH (Aug04)	NEW(Nov04)	CASH(Sep04)	NEW(Jul05)
Western MD	+91	n/a	n/a	n/a	-16	n/a
Central MD	+16	-9	n/a	-35	EVEN	n/a
Southern MD	+20	-5	n/a	-25	-45	n/a
Upper E. Sh	+25	+8	n/a	-25	-21	n/a
Lower E. Sh	+35	+13	n/a	-16	-30	n/a

WEEKLY CROP WEATHER SUMMARY

MARYLAND AGRICULTURAL STATISTICS SERVICE

Rain fell throughout the state this week with some areas receiving over 10” in a single day. There were 4.5 days suitable for fieldwork for the week ending July 18, 2004. The slightly lower air temperatures and much needed rain allowed for better growing condition for stressed crops. The rain deterred farmers from baling hay as it was unable to dry between rain showers. Rain did aid the corn and soybeans with corn at 90 percent tasseled compared to 67 percent last week. Soybeans were 50 percent bloomed compared to 17 percent the previous week. About 19 percent of soybeans were setting pods, compared to a five year average of only 4 percent. . Topsoil moisture was 1 percent very short, 18 percent short, 60 percent adequate and 21 percent surplus.

CASH GRAINS - REGIONAL - (\$/bu) DEALERS AVERAGE CASH QUOTES

Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
	7/14	7/21	7/14	7/21	7/14	7/21	7/14	7/21
Western Md	3.21	3.17	8.60	7.57	3.13	3.08	2.23	2.38
Central MD	2.94	2.87	8.81	8.67	3.43	3.24	1.98	2.15
Southern MD	2.67	2.46	8.61	7.88	3.05	2.79	1.70	1.70
Upper E. Shore	2.72	2.51	8.66	7.93	3.18	3.03	1.80	1.80
Lower E. Shore	2.82	2.61	8.70	7.97	3.24	3.07	1.81	1.81

Soybean Meal

Lower Eastern Shore

Dealer's Average Cash Quotes (\$/ton)

Date	7/14	7/21	Date	7/14	7/21
48% Soybean Meal	346.00	N/A	44% Soybean Meal	334.00	N/A

FORWARD CONTRACT PRICE-REGIONAL (\$/BU) for Harvest delivery Dealer's Avg Quotes

Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
	7/14	7/21	7/14	7/21	7/14	7/21	7/14	7/21
Western Md	----	----	----	----	----	----	----	----
Central MD	2.56	2.44	6.20	5.77	----	----	----	----
Southern MD	2.49	2.30	6.43	5.87	----	----	----	----
Upper E Shore	2.62	2.43	6.43	5.87	----	----	----	----
Lower E Shore	2.67	2.48	6.52	5.96	----	----	----	----

GRAIN FUTURES- Chicago Board of Trade (\$/bu) Settle - Jul 21, 2002

Corn		Soybeans		Wheat		Soybean Meal ¹	
Sep	226.25	Aug	707.50	Sep	324.00	Aug	237.80
Dec	234.50	Sep	626.75	Dec	337.50	Sep	213.80
Mr05	242.75	Nov	612.00	Mr05	348.25	Oct	192.80
May	248.50	Ja05	620.50	May	351.00	Dec	189.80
Jul	252.75	Mar	625.00	Jul	354.25	Ja05	191.30
Sep	255.25	May	628.50	Sep	358.00	Mar	193.00

HAY AND STRAW						
New Holland, PA - \$/ton - Jul 19, 2004 - 61 Loads						
Alfalfa 80.00-180.00	Mixed 70.00-200.00	Timothy 55.00-195.00	Orchardgrass 55.00-105.00	Straw 85.00-157.00		
Westminster, MD - \$/bale - Jul 20, 2004 - 107 Lots						
Alfalfa 1.60-4.50	Alfalfa Mix 3.10-4.60	Timothy 2.20-3.90	Timothy Mix 1.00-1.80	Grass Mix 1.10-4.90	Straw 1.50-2.80	Oat Hay 1.60-1.80
POULTRY (Grade A) - Week Ending Jul 24, 2004						
	<u>Current Week</u>	<u>Week Ago</u>	<u>Month Ago</u>	<u>Year Ago</u>		
NY Wtd Avg. (Fryers)	83.33	83.15	83.36	59.02		
12 City Composite	82.26	83.79	81.52	64.11		
LAMBS - Westminster, MD - \$/cwt - Jul 20, 2004						
40- 50 lbs	75.00-106.00	Sheep		75-100 lbs	65.00-89.00	
60- 70 lbs	75.00-112.50			105-200 lbs	21.00-57.00	
80- 90 lbs	75.00-115.00			205-300 lbs	14.00-48.00	
100-110 lbs	94.00-112.50					
120-130 lbs	70.00-100.00					
TERMINAL MARKETS HOGS - Jul 22, 2004				DIRECT MARKET HOGS - Westminster, MD - Jul 20, 2004		
Base Price Range (\$/cwt)	Carcass Basis	Sows (1-3)	U.S. #1	263-272 lbs	42.50-55.75	
a.m.	Base 185 lb Hog	300-449 lbs	Sows	42.00-50.50		
Iowa, Minn	68.25-79.50	40.19-54.46	Millsboro, DE Market Hogs - (\$/cwt) -			
Eastern Cornbelt	71.00-76.28	42.00-57.44	\$ 50.00-51.50			
FEEDER PIGS - (\$/cwt) -						
Gumboro, DE - Jul 21, 2004				New Holland, PA - Jul 21, 2004 -		
Head: 393	Trend: None		Head: 180	Trend: All slaughter		
under 30 lbs	50.00-155.00	50-59 lbs	45.00-92.00			
30-39 lbs	54.00-134.00	60-69 lbs	55.00-62.00			
40-49 lbs	54.00-100.00					
CATTLE-LIVE FUTURES-Chicago Mercantile Exchange (\$/cwt) - Jul 21, 2004				HOGS-LEAN FUTURES-Chicago Mercantile Exchange (\$/cwt) - Jul 21, 2004		
Aug	85.25	Fb05	89.30	Aug	74.00	Fb05
Oct	87.12	Apr	87.37	Oct	64.47	Apr
Dec	87.92	Jun	82.00	Dec	60.95	May
						61.40
						61.35
						62.47
STOCKER-FEEDER CATTLE - (\$/cwt)						
Winchester, VA - Jul 19, 2004				Westminster, MD - Jul 20, 2004		
Steers	300-400 lbs	114.00-116.00	Steers (M&L)	300-400 lbs	98.00-106.00	
	400-500 lbs	115.50-126.00		600-700 lbs	67.50- 87.00	
	500-600 lbs	106.00-114.00	Heifers	200-300 lbs	88.00-103.00	
	600-700 lbs	95.00-108.00		400-500 lbs	74.00-108.00	
Heifers	300- 400 lbs	110.00-119.00		700-800 lbs	69.00- 75.50	
	400- 500 lbs	112.50-115.00	Returned to farm			
	500- 600 lbs	105.50-109.50	Holstein Bull Calves	80- 90 lbs	125.50-145.00	
	600- 700 lbs	96.00-100.50		95-100 lbs	115.00-150.00	
				105-115 lbs	120.00-160.00	
			Jersey		10.00- 50.00	
			Holstein Heifers	#1	185.00-375.00	
Lancaster, New Holland & Vintage - Week Ending - Jul 24, 2004						
Bull, Holstein	90-120 lbs	117.00-154.00	Plainer	90-120 lbs	127.00-150.00	
Heifers, Hols	90-120 lbs	450.00-575.00	Plainer	90-120 lbs	300.00-375.00	
SLAUGHTER CATTLE (\$/cwt)						
Westminster, MD - Jul 20, 2004						
Fed Steers			Fed Heifers			
H-Ch	82.50-85.25		Select	65.00- 72.50		
Ch	78.50-82.00		Heiferette	52.25- 64.75		
Select	70.25-82.00		Calves			
Cows			Slaughter	50.00-100.00		
Breakers	48.50-54.00					
Boners	41.25-48.00					
Thin & Slow	40.00-DOWN					
Lancaster, New Holland & Vintage - Week Ending - Jul 24, 2004						
Steers, Ch 2-3	1150-1480 lbs	83.00-86.85		\$1 - \$3 higher		
Cows, Breakers 75-80 pct lean		54.75-58.50		\$1 - \$2 lower		
Bulls, YG 1	1180-2140 lbs	61.50-69.75		Firm - \$1 higher		

For more information about this report, call 410-841-5740 or write:

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